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Central Intelligence Agency Office of the Deputy Director for Intelligence

3 January 1986

NOTE TO: The Honorable Fred C. Ikle
Under Secretary of Defense for Policy

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Attached is as much material we have on US economic involvement in Libya. The detailed figures at the end on exports to Libya are only for 1984. The final figures for 1985 have not been formally entered into this data base but total trade for 1985 is about \$304 million with the increase in each category roughly proportional to the breakdown in 1984. I hope this is useful.

Robert M.

Robert M. Gates
Deputy Director for Intelligence

Attachment:
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Over 75 percent of Libya's foreign trade is with OECD countries. East Bloc and Soviet states account for the bulk of the remaining trade. Tripoli depended on western countries for almost 70 percent of its food supply, a wide variety of industiral goods to keep its economy afloat, and almost a quarter of its arms purchases last year.

Foreign expertise is essential to the operation of Libya's oil sector and industry, especially the Great Man-made River Project.

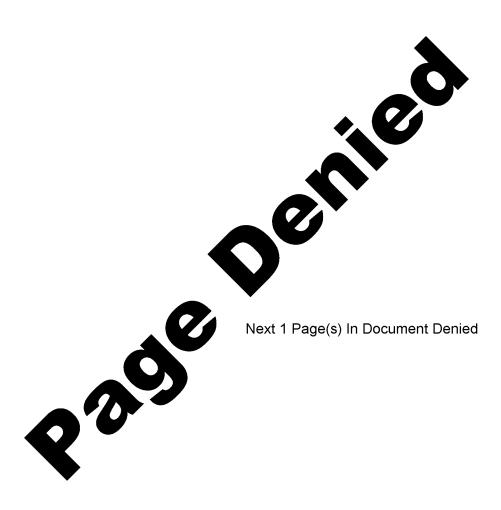
- -- As many as 375,000 foreigneers still reside in Libya.
- -- About 64,000 western workers including some 1,000 US citizens continue to work in Libya.
- -- East Bloc and Soviet personnel may number as many as 65,000.

Remaining areas of US leverage over Libya's economy include:

- -- Several thousand Libyan students continue to reside in the US.
- -- Libya still enjoys most favored nation status.
- -- US exports to Libya of \$300 million last year are up almost 50 percent and include badly needed, although not unique, food and industrial goods.

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pass it along for your consideration. Our best guess as to the number of US citizens in Li		
the present time would be 800 to 1,000 US citizens includ dependents. The Libyan's have claimed that as many as 2, Americans resided in country at the start of 1984. This probably represents more of a flow of people during a per	ing 695 figure	
time than an actual number at a given point in time.		
There probably is a correlation between the level of business activity in Libya and the number of US citizens country but coverage is so limited as to make such a calcimpossible to establish in a practical sense. It appears available information that US oil firms operating in Libya occasionally employ US citizens but only for limited lengtime. This situation also prevails in the case of US firmworking on the Great Man-made River Project. Non-US personave been relied on to fill the void created by the department of the case of US firmworkers since 1982.	in ulation from a ths of ms onnel ted US	5X1 25X1
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The pursuits of US citizens in Libya is a more tenuor subject. Available information shows that as many as 450 citizens and their dependents form a core group which call home and did not depart in 1982. This group is made up of teachers and other professionals as well as a few oil work have established roots in Libya. The remaining 350 to 550 citizens include opportunists drawn by lucrative employment contracts in Libya's petroleum sector as well as businessments.	US ls Libya E Kers who US	
rotate in out of the country as is necessary.	_	25 X 1
The location of US citizens is an equally difficult question. The core group is primarily located in Tripoli, Banghazi, and possiby Tobruk. The non-oil business types also be located primarily in these urban centers. The petworkers are scatered troughout the petroleum industry which covers a large part of the country. I would guess that petworkers account for 75 percent of the non-resident group of citizens in Libya.	would croleum ch etroleum of US	25 X 1
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